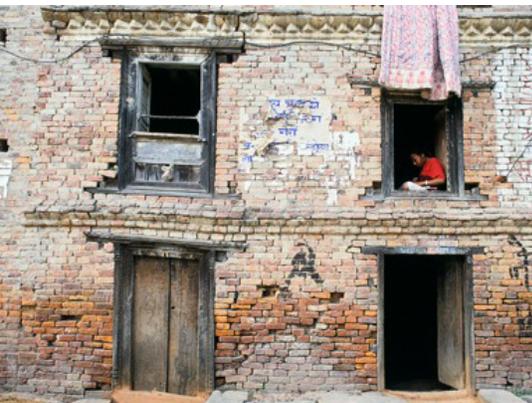




Stigma and Labour Market Outcomes: Sex Work and Domestic Work in India

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Sex work and domestic work are both gendered occupations that employ similar individuals.

However, women who enter sex work are more likely to have faced past abuse. The stigma attached to the trade also results in an earnings premium. Policies to reduce stigma could ensure sex workers are protected from abuse and able to seek legal and medical services.

Sex work and domestic work are both highly gendered informal sector occupations. In India, women from impoverished backgrounds and often very low levels of education make up the bulk of these workers. Besides this similarity of socioeconomic background, many women also claim that they entered sex work after having provided unpaid sexual services to employers while in paid domestic work (Jameela, 2009). The legal status of both these jobs is characterised by obscurities that are difficult to interpret and implement for the benefit of employees (Sharma & Kunduri, 2015). The lack of a regulatory framework also exposes women in both the trades to abuse, as documented by numerous authors (Murty, 2009; Sarkar et al., 2008).

However, despite the similarity in their background characteristics, sex workers earn significantly more than domestic workers. The economics literature discusses three main explanations for this earnings premium. First, that sex workers forego marriage and the premium is an opportunity cost for this (Edlund and Korn, 2000); second, that the premium is a compensation for the stigma associated with such work (Della Giusta et al, 2008); and third, that it compensates for the risks associated with such work (Arunachalam and Shah, 2008). While foregoing marriage can be seen as a personal decision, the stigma and risk explanations throw up important policy issues. Stigma in particular increases the marginalisation and vulnerability of women in the trade and therefore increases the risk associated with such work. It also decreases the possibility of sex workers seeking help when things go wrong.

Research Method: In Hui and Kambhampati (2020) we ask if there is a systematic difference in the earnings of workers in the two trades and if the difference reflects a compensation for stigma or for the risks associated with the trade. We use data collected in 2013 from a primary field survey of sex workers and domestic workers in two metropolitan centres in India – Delhi NCR (National Capital Region) and Kolkata (previously known as Calcutta). The respondents were found through snowballing methods, with the first set of sex workers being contacted through collectives of sex workers: Durbar Mahila Samanwaya Committee in Kolkata and Savera in Delhi. Subsequent participants were identified by this first set of sex workers. Our domestic worker sample was chosen from the slum areas in the vicinity of the red-light areas and we obtained initial introductions through employers. This allowed us to concentrate on women with demographic and socio-economic profiles similar to those of our sex worker sample. Our dataset consisted of 274 domestic workers and 247 lower end brothel based sex workers.

Results: Our data suggest that the single most important factor that determines whether an individual is a sex worker or a domestic worker is vulnerability to sexual or physical abuse in

the past (before joining the trade). To determine the effect of stigma on earnings premium, we conceptualise stigma in two ways. First, we categorise being a sex worker as equivalent to being stigmatised because sex workers will face both enacted and felt stigma. Second, we use a self-reported variable capturing acceptance by the family of the individual. The two measures of stigma are strongly correlated with correlation coefficient of -0.78 (p value =0.000). We find the effect of both definitions of stigma to have a significant effect on the earnings of the individual.

Our results suggest that sex workers, on average, earn 127% of the earnings of domestic workers. This difference is especially stark in the early years of their careers and narrows with age. Analysis using the Oaxaca-Blinder decomposition method leads us to conclude that the wage difference cannot be explained by the characteristics of the individuals and therefore point in the direction of either stigma or risks associated with the trade. Analysing the role played by stigma, we find that sex workers earn 154% of what they would have if they had been in a non-stigmatised trade. When we capture stigma in terms of acceptance of the occupation by the family, we find that sex workers earn 191% more than they would have in a non-stigmatised trade. Measuring risk as the possibility of being abused within the trade, we do not find that sex workers who are abused earn significantly more than those who are not. Thus, the earnings premium of sex workers does not seem to be related to a hazard pay.

Our results provide empirical evidence that past violence may push individuals into risky occupations. While they do not suggest that current abuse is related to higher earnings, they do indicate that stigma plays a significant role in differential pay. Since such stigma leads to the social and community isolation of women in these occupations, it also makes them more vulnerable to the abuse of power. It leads to the inability of women to seek help when they are abused and implies that their children are also disadvantaged because of the same stigma. We conclude that policies specifically focusing on reducing stigma through decriminalisation would increase the well-being of sex workers.

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